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EX PARTE OR LATE FILED

July 18, 1994

HAND DELIVER

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, Room 222
Washington, D.C. 20554

RECEIVED

JUL 20 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: ET Docket No. 93-266
Ex Parte Presentation

Dear Mr. Caton:

In accordance with Section 1.1206(a)(1) of the Commission's rules, attached are two copies of an ex parte letter submitted today for inclusion in the above-referenced docket.

Should you have any questions concerning this matter, please do not hesitate to contact the undersigned directly.

Sincerely,

Bernard V. Buonanno
Fleet Equity Partners

Enclosures

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Re: ET Docket No. 93-266
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FEDERAL COMMUNICATIONS COMMISSION
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Dear Mr. Caton:

I am writing you today to express my opposition to the proposed changes to the Pioneer Preference Program which would require the Pioneer Preference winners to pay 90% of the highest bid for a comparable PCS license. As a partner at Fleet Equity Partners, a \$250 million equity fund which actively invests in the wireless telecommunications industry, I believe that this change would be detrimental to the future of Designated Entities program, their potential investors, and the future innovators who are seeking to raise risk capital.

First, I would like to tell you briefly about Fleet Equity Partners in order to help clarify our interest in the proposed changes. Fleet Equity Partners is an equity capital partnership which is affiliated with the Fleet Financial Group, a \$45 billion bank which is currently the fifteenth largest bank holding company in the United States. Fleet Equity Partners invests through a Small Business Investment Company (SBIC) and is regulated by the Small Business Administration (SBA). Our telecommunications activity has included investments in Dial Page and Onecom, two "enhanced specialized mobile radio" network companies which cover half of the US and have raised a combined total of \$500 million of public capital since our investment. We have also recently invested in a satellite telecommunications company which will provide wireless service between the United States and Europe and a competitive access provider (CAP) which will compete with the LEC's for local access charges. We also have a small indirect investment (less than \$100,000) in Omnipoint Corporation, one of the three Pioneer Preference award winners, through an investment in another venture capital fund in which we invested.

111 Westminster Street, Providence, Rhode Island 02903 401-278-6770 / Fax 401-278-6387

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Fleet Venture Resources, Inc. and NYSTRS/NV Capital, Limited Partnership, Federal Licensees under the Small Business Investment Act of 1958, and Fleet Private Equity Co., Inc. and Fleet Growth Resources, Inc. are associates of Fleet Equity Partners.

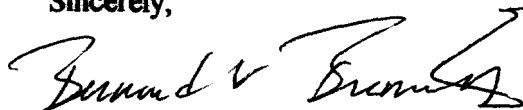
As an investor in the telecommunications industry, there are two issues that I would like to briefly address below. First, by changing the proposed rules, which have been approved by the FCC, *Congress will make it considerably more difficult for the Designated Entities to raise capital* and successfully compete in the PCS industry. The thought process from an investors perspective is very simple: if investors in the Pioneers lose out because of political pressure from Congress, then why should new investors expect that the FCC will not retroactively charge the Designated Entities 90% two years from now? Clearly, this change will make it much more difficult for Designated Entities to raise risk capital.

Second, I firmly believe that *a royalty payment system would more fairly align Congress and the Pioneer Preference winners in achieving their respective objectives*. As best as I can determine, Congress' revised objective in the Pioneer Preference Program is to encourage innovation *and* to raise money from the sale of valuable spectrum. A payment mechanism in the form of a royalty related to the success of the pioneer's business would properly satisfy Congress' needs while at the same time provide the Pioneer Preference winners with an opportunity to compete in what will be a very competitive market place.

In summary, I support the Pioneer Preference Program and hope that Congress will continue to support innovation and risk by supporting consistent FCC policy in order to encourage future investment in similar ground breaking technology.

In accordance with Section 1.1206(a)(1) of the Commission's rules, I am submitting to you today two copies of this letter for inclusion in the public record of the above referenced docket.

Sincerely,



Bernard V. Buonanno
Fleet Equity Partners

cc (via hand delivery):
Chairman Reed Hundt
Commissioner James Quello
Commissioner Andrew Barrett
Commissioner Susan Ness
Commissioner Rachelle Chong
William Kennard, Esq.
Dr. Robert Pepper
Mr. Donald Gips